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IBERIA PARISH SHERIFF
FINANCIAL REPORT AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-17-07

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INDEPENDENT AUDITORS' REPORT

The Honorable Sid Hebert
Iberia Parish Sheriff
New Iberia, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Iberia Parish Sheriff, as of and for the year then ended June 30, 2006, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Iberia Parish Sheriff. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Iberia Parish Sheriff, as of June 30, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 21, 2006 on our consideration of the Iberia Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance as the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 11 and 39, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods for measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Iberia Parish Sheriff's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Iberia Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*
WRIGHT, MOORE, DeHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

September 21, 2006

**IBERIA PARISH SHERIFF
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Iberia Parish Sheriff's (the Sheriff) annual financial report, the Sheriff's management is pleased to provide this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2006 and 2005. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The Sheriff's assets exceed its liabilities by \$1,171,985 (net assets) for the fiscal year reported.

Total net assets are comprised of the following:

- Capital assets, net of related debt, of \$ 409,472, include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase of capital assets.
- Unrestricted net assets of \$ 762,513 represent the portion available to maintain the Sheriff's continuing obligations to citizens and creditors.

The Sheriff's governmental funds reported total ending fund balance of \$ 762,513 this year. This compares to the prior year ending fund balance of \$576,989 showing a minor increase of \$185,524 during the current year.

At the end of the current fiscal year, fund balance for the General Fund was \$ 585,991, or 3.6 % of total General Fund expenditures and 3.6 % of total General Fund revenues including transfers. This represents a increase in the General Fund fund balance of \$ 161,984.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Sheriff's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) required supplementary information. The Sheriff also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Assets. This is the government-wide statement of position presenting information that includes all of the Sheriff's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Sheriff as a whole is improving or deteriorating. Evaluation of the overall health of the Sheriff would extend to other non-financial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Sheriff's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless

**IBERIA PARISH SHERIFF
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Sheriff's distinct activities or functions on revenues provided by the Sheriff's taxpayers.

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property taxes and sales taxes. The sole purpose of these governmental activities is public safety.

The government-wide financial statements are presented on pages 14 through 15 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Sheriff's most significant funds rather than the Sheriff as a whole.

The Sheriff's operations are reported in two different types of funds.

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Sheriff's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 18 through 21 of this report.

In the Fiduciary funds, the Sheriff is the trustee, or Fiduciary, for assets that are received and held in trust for other governmental agencies. The largest of these trust agreements is for the collecting and disbursing of ad valorem taxes. He also is responsible for deposits held pending court action and the individual prison inmate accounts. These assets are reported separate from other financial statements, as these funds are not available to the Sheriff to finance his operations.

The basic agency fund financial statement is presented on page 22 of this report.

Notes to the basic financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

**IBERIA PARISH SHERIFF
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. Budgetary comparison schedules are included as "required supplementary information" for the General Fund. This schedule demonstrates compliance with the Sheriff's adopted and final revised budget. Required supplementary information can be found on page 37 of this report.

In addition, more detailed general fund and special revenue fund budget information and details of the individual agency funds are presented as supplementary information and can be found presented on pages 42-46 of this report.

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The Sheriff implemented the new financial reporting model used in this report beginning with the current fiscal year ended June 30, 2006. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Sheriff as a whole.

The Sheriff's net assets at June 30, 2006 and 2005 are \$1,171,985 and \$950,891 respectively. The following table provides a summary of the Sheriff's net assets:

SUMMARY OF NET ASSETS

	<u>June 30, 2006</u>		<u>June 30, 2005</u>	
Assets:				
Current Assets and other assets	\$ 2,514,629	79%	\$ 1,963,697	72%
Capital Assets net of accumulated depreciation	<u>667,890</u>	21%	<u>768,550</u>	28%
Total Assets	<u>\$ 3,182,519</u>	100%	<u>\$ 2,732,247</u>	100%
Liabilities:				
Current Liabilities	\$ 1,873,422	93%	\$ 1,508,624	100%
Long-Term Liabilities	<u>137,112</u>	7%	<u>272,732</u>	15%
Total Liabilities	<u>2,010,534</u>		<u>1,781,356</u>	
Net Assets				
Investment in Capital Assets net of Related Debt	409,472	35%	373,902	39%
Unrestricted	<u>762,513</u>	65%	<u>576,989</u>	61%
Total Net Assets	<u>1,171,985</u>		<u>950,891</u>	
Total Liabilities & Net Assets	<u>\$ 3,182,519</u>		<u>\$ 2,732,247</u>	

The Sheriff continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 1.3 to 1.

**IBERIA PARISH SHERIFF
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Sheriff reported positive balances in net assets for governmental activities, including an increase in net assets of \$ 221,094 for governmental activities in fiscal year 2006. Net assets government wide are reported at \$ 1,171,985 at year end.

Note that only 57 percent of the governmental activities' net assets are in capital assets. The Sheriff uses these capital assets to provide services to its citizens.

The following table provides a summary of the Sheriff's changes in net assets.

Summary of Changes in Net Assets

	June 30, 2006 Governmental Activities	Percentage of Total	June 30, 2005 Governmental Activities	Percentage of Total
Revenues				
Programs:				
Charges for Services	\$ 8,086,652	49%	\$ 4,791,792	33%
Operating Grants & Contributions	1,518,110	9%	3,830,867	26%
General:				
Property Taxes	2,961,680	18%	2,853,725	19%
Sales Taxes	3,011,069	18%	2,474,358	17%
State Revenue Sharing	212,068	1%	211,535	1%
State Supplemental Pay	453,093	3%	390,984	3%
Investment Earnings	58,129	1%	24,079	0%
Other General Revenues	206,625	1%	178,788	1%
Total General Revenues	16,507,426	100%	14,756,128	100%
Program Expenses				
Public Safety	16,266,711	100%	15,336,880	100%
Interest on Long Term Debt	39,073	0%	21,800	0%
Total Expenses	16,305,784	100%	15,358,680	100%
Other Funding Sources				
Sales of Assets	19,452	100%	(24,316)	100%
Total Other Funding Sources	19,452		(24,316)	
Change in Net Assets	221,094		(626,868)	
Beginning Net Assets	950,891		1,577,759	
Ending Net Assets	\$ 1,171,985		\$ 950,891	

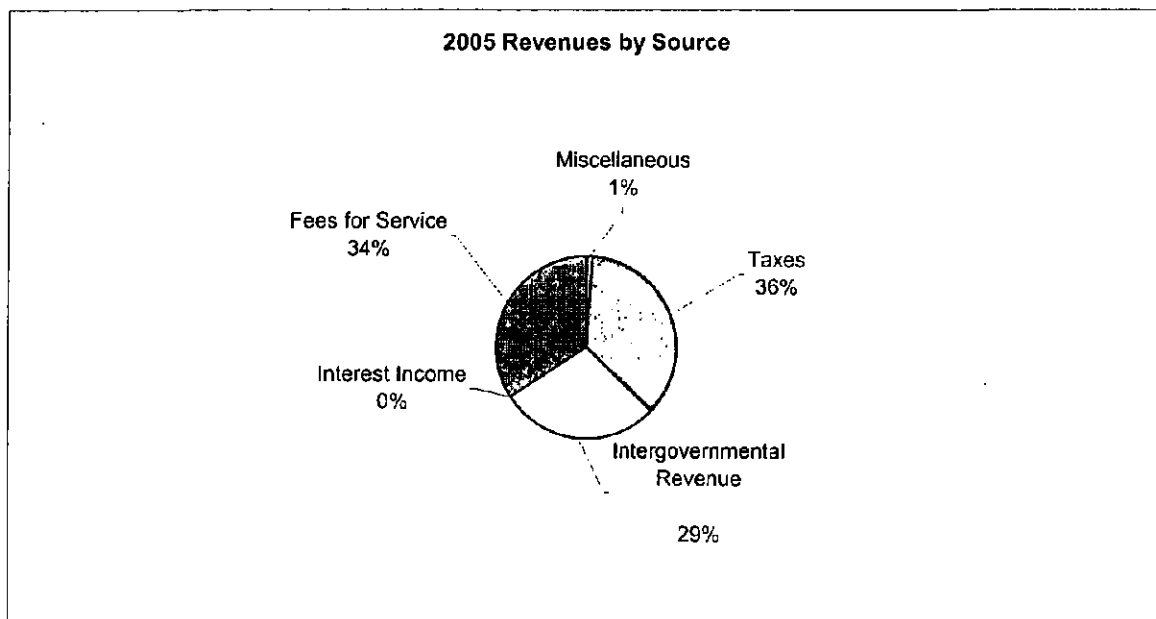
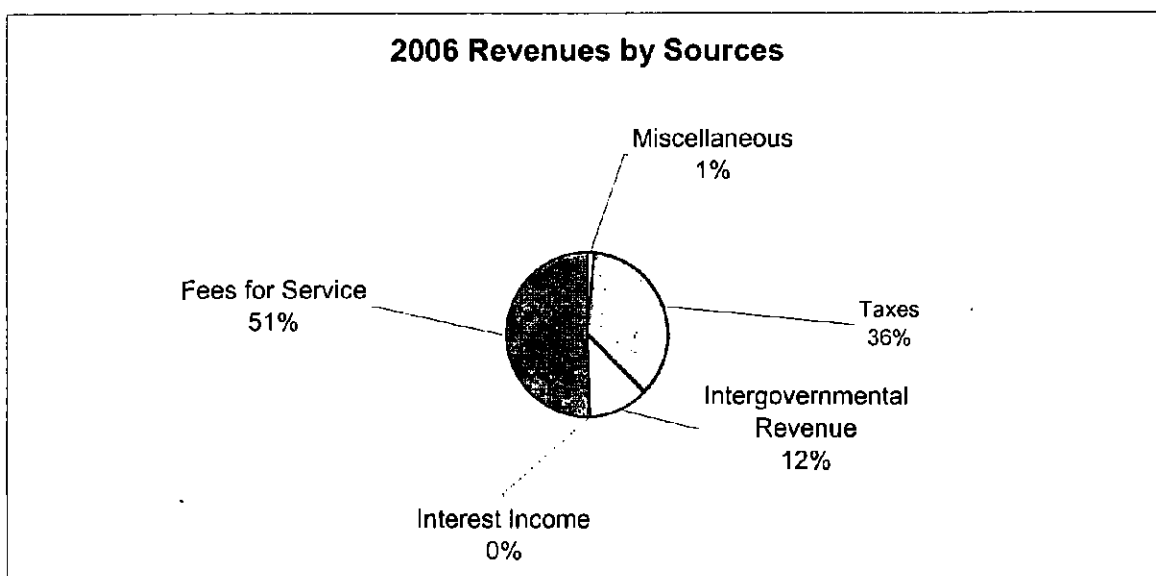
**IBERIA PARISH SHERIFF
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENTAL REVENUES

The Sheriff relies upon sales and property taxes to support its operations. These taxes provided 36 percent of the Sheriff's total revenues for the years ended June 30, 2006 and 2005. Because of the Sheriff's financial position, \$ 58,129 and \$24,079 in interest was earned in 2006 and 2005, respectively to help support governmental activities, despite low prevailing interest rates. Also, note that program revenues, including reimbursements received for prisoner maintenance, offset 59 percent of governmental operating expenses in 2006 and 55 percent in 2005. Therefore, the Sheriff's other general revenues and taxes funded 41 and 45 percent of operations in 2006 and 2005, respectively.

Following is a graph showing the breakdown of revenues by source.



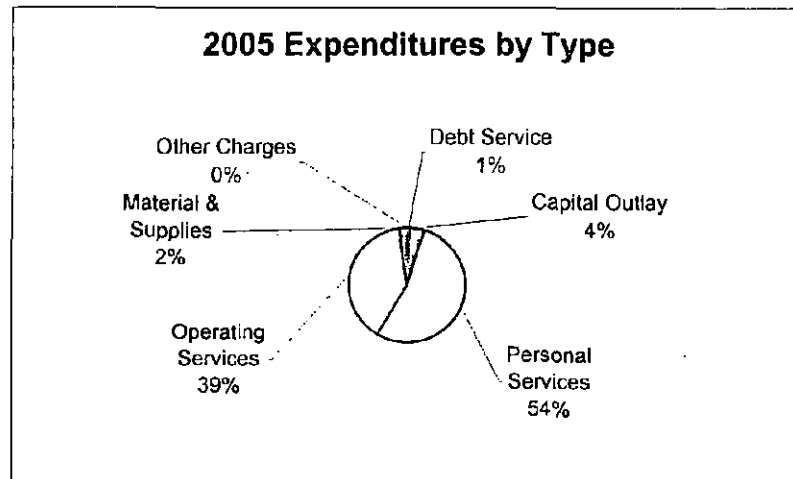
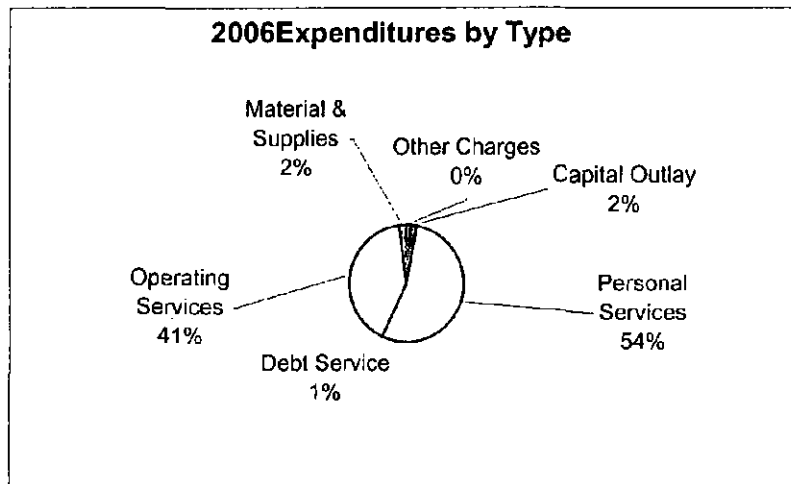
**IBERIA PARISH SHERIFF
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENTAL FUNCTIONAL EXPENSES

The function of the Sheriff's office is public safety activities. The only other non-functional cost is interest expense related to the capital lease obligation for equipment purchased. Of the total costs, depreciation on equipment and vehicles was \$ 365,254 or 2.3 percent of total expenses in 2006 and \$422,607 or 2.7 percent of total expenses in 2005.

Below is a graph presenting the total expenditures by type of the Sheriff at the governmental fund level.



**IBERIA PARISH SHERIFF
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$ 762,513. Legally restricted fund balances (i.e., the reserved fund balances) include \$ 249,894 reserved for prepaid expenses. As a result, the unreserved, undesignated fund balance is \$512,619, which is available for continued funding of Sheriff's activities.

Major Governmental Funds

The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$161,984 from the prior year.

In fiscal year end 2006, the Sheriff continued to collect a one-quarter percent (1/4%) sales tax. Total collections for the year were \$3,011,069. In addition, ad valorem taxes in the amount of \$2,961,680 were collected during the current year. These collections increased from the prior year by approximately \$644,666. Other revenues increased by \$1,106,632.

Operating expenditures in the General Fund were approximately \$16,102,109, an increase of \$627,777 or 41 percent over the prior year. The majority of the increase (73%) is attributed to personnel costs with the remaining difference being in operating services, including costs of insurance.

The ending fund balance of \$ 762,513 for all governmental funds at year-end represents approximately 5 percent of annual operating expenses.

BUDGETARY HIGHLIGHTS

General Fund

The Sheriff makes a practice of amending its budget annually. However, due to a significant expansion of policing services during the current year, adding new revenues and additional expenditures, it was difficult for management to estimate its revenues and costs. With some history to use as an estimating tool, the Iberia Parish Sheriff will continue to assess and revise its budgets as in prior years. Total revenues of the General Fund exceeded the budgeted amount by \$ 595,720 due to an increase in federal grant revenues as well as sales tax collections and other fees collected for the Sheriff's Office. However, actual expenditures exceeded budgeted amounts by \$516,652. The majority of the increase is attributed to Operating Services, which includes the cost of self-insured claims, insurance premiums, training of deputies as well as expenditures relating to the federal grants received.

**IBERIA PARISH SHERIFF
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2006 was \$667,890 and June 30, 2005, was \$768,550. See Note H for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

Capital Assets

	Government Activities	
	<u>June 30, 2006</u>	<u>June 30, 2005</u>
Depreciation Assets:		
Equipment	\$ 1,406,860	\$ 1,227,336
Furniture & Fixture	128,132	127,499
Vehicles	<u>1,644,701</u>	<u>1,591,282</u>
Total Depreciation Assets	3,179,693	2,946,117
Less: Accumulated Depreciation	<u>2,511,803</u>	<u>2,177,567</u>
Net Book Value-depreciable assets	<u>\$ 667,890</u>	<u>\$ 768,550</u>
	79%	74%

Major additions during the current year were acquisitions of vehicles, which accounted for 34 percent of the total additions. Routine replacement of equipment was also done in the current year.

The Sheriff does intend to continue using capital lease obligations to acquire additional equipment and vehicles in the future as needed. The Sheriff's long-term debt is comprised of 5 capital lease obligations used for financing the acquisition of vehicles as well as the other costs associated with the expansion of policy services in the current year. These debts will be liquidated by the General Fund.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Sheriff considered many factors when setting the fiscal year 2007 budget. One factor was the merger of the City of New Iberia Police Department into the Sheriff's Department through an intergovernmental agreement. Inflation in the area continues to be in line with the national Consumer Price Index (CPI) increase. The Sheriff negotiated a Consumer Price Index (CPI) increase of 4.245% for the period of October 1, 2006 through June 30, 2007.

These indicators were taken into account when adopting the General Fund budget for 2007. Amounts available for appropriation in the General Fund budget are \$15,105,008, an increase of approximately 68 percent over the 2006 budget of \$14,146,600. Property tax revenues are expected to remain consistent with the

**IBERIA PARISH SHERIFF
NEW IBERIA, LOUISIANA**

MANAGEMENT'S DISCUSSION AND ANALYSIS

prior year as is sales tax revenues. Budgeted expenditures are expected to increase incrementally with revenues in 2007. The Sheriff has added no major new programs or initiatives to the 2007 budget.

If these estimates are realized, the Sheriff's budgetary General Fund balance is expected to increase slightly by the close of 2007.

CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have questions about this report or would like to request additional information, contact Judy M. Douet, Iberia Parish Sheriff's Office, 300 Iberia Street, Ste 120, New Iberia, Louisiana 70560.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

IBERIA PARISH SHERIFF

**STATEMENT OF NET ASSETS
JUNE 30, 2006**

**GOVERNMENTAL
ACTIVITIES**

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 391,111
Interest Bearing Deposits	130,884
Receivables:	
Taxes Receivable	441,812
Grants Receivable	412,435
Other	877,757
Inventory	10,736
Prepays	<u>249,894</u>
 Total Current Assets	 2,514,629

Noncurrent Assets:

Capital Assets, Net of Accumulated Depreciation	<u>667,890</u>
--	----------------

TOTAL ASSETS

\$ 3,182,519

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

GOVERNMENTAL ACTIVITIES

IBERIA PARISH SHERIFF

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006**

	Program Revenues		Net (Expenses) Revenues and Changes in Net Assets
	Expenses	Operating Grants and Contributions	
Governmental Activities			
Public Safety	\$ 16,266,711	\$ 1,518,110	\$ (6,661,949)
Interest on Long-Term Debt	<u>39,073</u>	<u>-</u>	<u>(39,073)</u>
Total Governmental Activities	<u>\$ 16,305,784</u>	<u>\$ 1,518,110</u>	<u>(6,701,022)</u>
General Revenues:			
Property Taxes			2,961,680
Sales Taxes			3,011,069
State Revenue Sharing			212,068
State Supplemental Pay			453,093
Investment Earnings			58,129
Gain on Sale of Assets			19,452
Other General Revenues			<u>206,625</u>
Total General Revenues			<u>6,922,116</u>
Change in Net Assets			221,094
Net Assets-Beginning			<u>950,891</u>
Net Assets-Ending			<u>\$ 1,171,985</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

SPECIAL REVENUE FUND

Inmate Welfare Fund

The monies in this account are generated primarily from the pay telephones located in the inmates' housing area and from sales of commissary goods. These funds are used to pay inmate work crews, to purchase recreation equipment to be used by inmates and to provide miscellaneous benefits for the indigent inmates.

IBERIA PARISH SHERIFF**BALANCE SHEET - GOVERNMENTAL FUNDS****JUNE 30, 2006**

	General Fund	Special Revenue Fund (Non-major)	Total Governmental Funds
ASSETS			
Cash	\$ 249,981	\$ 141,130	\$ 391,111
Interest-Bearing Deposits	130,884	-	130,884
Prepaid Expenses	249,894	-	249,894
Inventory	-	10,736	10,736
Receivables:			
Taxes Receivable	441,812	-	441,812
Grants Receivable	412,435	-	412,435
Other	847,346	30,411	877,757
Total Assets	<u>\$ 2,332,352</u>	<u>\$ 182,277</u>	<u>\$ 2,514,629</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 698,279	\$ 5,588	\$ 703,867
Due to Other Governmental Units	11,620	-	11,620
Other Accrued Liabilities	1,036,462	167	1,036,629
Total Liabilities	<u>1,746,361</u>	<u>5,755</u>	<u>1,752,116</u>
Fund Balances:			
Reserve for Prepaids	249,894	-	249,894
Unreserved, Undesignated	336,097	176,522	512,619
Total Fund Balances	<u>585,991</u>	<u>176,522</u>	<u>762,513</u>
Total Liabilities and Fund Equity	<u>\$ 2,332,352</u>	<u>\$ 182,277</u>	<u>\$ 2,514,629</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

IBERIA PARISH SHERIFF

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2006**

Total Governmental Fund Balances	\$ 762,513
<i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	667,890
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(258,418)</u>
<i>Net Assets of Governmental Activities</i>	<u>\$ 1,171,985</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

IBERIA PARISH SHERIFF

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2006**

	General Fund	Special Revenue Fund (Non-major)	Total Governmental Funds
Revenues:			
Ad Valorem Taxes	\$ 2,961,680	\$ -	\$ 2,961,680
Sales Tax Revenue	3,011,069	-	3,011,069
Intergovernmental Revenues -			
Federal Grants	1,321,361	-	1,321,361
State Supplemental Pay	453,093	-	453,093
State, City and Parish Grants	196,749	-	196,749
Fees, Charges, and Commissions for Services -			
State Revenue Sharing (Net)	212,068	-	212,068
Commissions	436,168	-	436,168
Civil and Criminal Fees	229,216	-	229,216
Employment Work Release Programs	666,657	-	666,657
Intergovernmental Agreements	3,879,405	-	3,879,405
Court Attendance	19,200	-	19,200
Security Income	33,814	-	33,814
Transporting Prisoners	30,539	-	30,539
Feeding and Keeping Prisoners	2,558,445	-	2,558,445
Sales of Commissary Goods	-	233,208	233,208
Interest Income	26,135	31,994	58,129
Miscellaneous	200,379	6,246	206,625
Total Revenues	<u>16,235,978</u>	<u>271,448</u>	<u>16,507,426</u>
Expenditures:			
Current -			
Public Safety:			
Personal Services and Related Benefits	8,867,883	-	8,867,883
Operating Services	6,455,234	233,033	6,688,267
Materials and Supplies	331,003	-	331,003
Travel and Other Charges	11,081	-	11,081
Miscellaneous	3,223	-	3,223
Debt Service -			
Principal Retirement	136,230	-	136,230
Interest and Fiscal Charges	39,073	-	39,073
Capital Outlay	258,382	14,875	273,257
Total Expenditures	<u>16,102,109</u>	<u>247,908</u>	<u>16,350,017</u>
Excess of Revenues Over Expenditures	<u>133,869</u>	<u>23,540</u>	<u>157,409</u>
Other Financing Sources (Uses):			
Proceeds From Sale of Assets	28,115	-	28,115
Total Other Financing Sources	<u>28,115</u>	<u>-</u>	<u>28,115</u>
Excess of Revenues and Other Sources Over Expenditures	161,984	23,540	185,524
Fund Balances, Beginning	<u>424,007</u>	<u>152,982</u>	<u>576,989</u>
Fund Balances, Ending	<u>\$ 585,991</u>	<u>\$ 176,522</u>	<u>\$ 762,513</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

IBERIA PARISH SHERIFF

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006**

Net Change in Fund Balances - Total Governmental Funds \$ 185,524

*Amounts reported for governmental activities in the
Statement of Activities are different because:*

Governmental funds report capital outlays as expenditures.
However, in the Statement of Activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. This is the amount by which depreciation
exceeded capital outlay in the current period. (91,997)

Governmental funds only report the disposal of assets to the
extent proceeds are received from the sale. In the Statement
of Activities, a gain or loss is reported for each disposal.
This is the amount of the book value of the fixed assets
disposed of during the year. (8,663)

Repayment of capital lease obligation is an expenditure in
the governmental funds, but the repayment reduces long-
term liabilities in the Statement of Net Assets. 136,230

Change in Net Assets of Governmental Activities \$ 221,094

IBERIA PARISH SHERIFF
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2006

	<u>Total Agency Funds</u>
ASSETS:	
Cash and Interest Bearing Deposits	\$1,273,137
Due from Others	<u>18,651</u>
Total Assets	<u>\$1,291,788</u>
LIABILITIES:	
Due to Taxing Bodies and Others	<u>\$1,291,788</u>
Total Liabilities	<u>\$1,291,788</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements.

IBERIA PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2006

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Iberia Parish Sheriff (Sheriff) serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera.

As the chief law enforcement officer of the parish, the Sheriff is responsible for enforcing state and local laws, ordinances, et cetera, within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols, investigations, et cetera, and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, the Sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

The accompanying financial statements of the Iberia Parish Sheriff (Sheriff) have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The accounting and reporting policies of the Iberia Parish Sheriff conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

1. Financial Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, etcetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council as required by Louisiana law, the Sheriff is financially independent. Accordingly, the Sheriff is a separate governmental reporting entity.

Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish government, parish school board, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish Sheriff.

IBERIA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2006

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

2. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Sheriff as a whole. These statements include all the financial activities of the Sheriff, except the fiduciary funds. The Sheriff has no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

Fund Financial Statements (FFS)

The accounts of the Sheriff are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Sheriff (with the exception of the fiduciary funds) are all classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Sheriff or meets the following criteria:

- a Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- b Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

One fund of the Sheriff is considered to be a major fund and is described below:

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for the operations of the Sheriff's office. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include state revenue sharing, sales tax revenue, state supplemental pay for deputies, civil and criminal fees, and fees for court attendance and maintenance of prisoners. General operating expenditures are paid from this fund.

IBERIA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2006

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The following funds are nonmajor funds:

Special Revenue Fund

The Special revenue fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Fiduciary Funds -

Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, inmate monies, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, inmates, deputies, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

The Sheriff's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

3. Basis of Accounting/Measurement Focus

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus -

In the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported.

In the fund financial statements, the current financial resources measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

IBERIA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2006

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Accounting –

In the government-wide statement of net assets and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within 60 days of the end of the fiscal year. Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Intergovernmental revenues and fees, charges and commissions for services are recorded when the Sheriff is entitled to the funds. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures (including capital outlay) are recorded when the related fund liability is incurred. When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed.

4. Budget and Budgetary Accounting

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The chief administrative deputy prepares a proposed budget and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
- b. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- c. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
- d. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
- e. All budgetary appropriations lapse at the end of each fiscal year.

IBERIA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2006

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

- f. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

5. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits are stated at cost, which approximates market. Cash includes amounts in demand deposits as well as time deposits with an original maturity date within three months of the date acquired by the government.

6. Interfund Transactions

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

7. Compensated Absences

Each employee of the Sheriff's office is granted 10 to 20 days of annual leave and sick leave each year after one year of service. Accrued sick leave is not limited and not payable upon termination. Unused annual leave is converted to sick leave on the employee's anniversary date. Prior to that time, it is payable upon termination.

In accordance with the provisions of Statement of Financial Accounting Standards No. 43, "Accounting for Compensated Absences", no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

8. Capital Assets

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated cost if historical cost is not available. Contributed assets are recorded as capital assets at their estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Vehicles	3 years
Office Furniture	10 years
Computer Equipment	3 years
Other Machinery and Equipment	5 years

IBERIA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2006

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

9. Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Sheriff has no restricted net assets at June 30, 2006.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved or unreserved, with unreserved further split between designated and undesignated.

10. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2006 are recorded as prepaid items. Prepaid items that existed at June 30, 2006 were prepaid insurance.

11. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

12. Inventory

Inventory consists of goods purchased for resale in the Special Revenue Fund. Inventories are recorded as expenditures when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market.

IBERIA PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2006**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

13. Investments

Under State law, the Sheriff may invest in United States bonds, treasury notes or certificates, time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other *federally insured investment*. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", investments meeting the criteria specified in the Statement are stated at fair value. Investments that do not meet the requirements are stated at cost. The Sheriff has no investments at June 30, 2006.

B. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital Outlay	\$ 273,257
Depreciation	<u>(365,254)</u>
Net Adjustment to Increase Net Changes in Fund Balances -	
Total Governmental Funds to Arrive at Changes in Net Assets	
of Governmental Activities	<u>\$ (91,997)</u>

C. CASH AND INTEREST-BEARING DEPOSITS

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2006, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$1,795,132 of which \$1,273,137 is attributable to fiduciary funds, which is not presented in the statement of net assets.

Custodial Credit Risk Relating to Deposits

Custodial credit risk is the risk that, in the event of bank failure, the Sheriff's deposits might not be recovered. The Sheriff does not have a policy for custodial credit risk, however, under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

IBERIA PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2006**

C. CASH AND INTEREST-BEARING DEPOSITS - continued

The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of June 30, 2006, \$1,582,198 of the Sheriff's bank balances of \$2,089,183 was exposed to custodial credit risk as follows:

Bank Balances	\$ 2,089,183
Federal Deposit Insurance	\$ 506,985
Pledged Securities (Category 3)	<u>1,582,198</u>
Total	<u>\$ 2,089,183</u>

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the bank, or by its trust department or agent, but not in the Sheriff's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

D. AD VALOREM TAXES

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the parish government in June and are actually billed to the taxpayers by the Sheriff in October or November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of Iberia Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2006, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 10.08 mills on property with assessed valuations totaling \$298,044,986.

Total law enforcement taxes levied during 2005 were \$3,004,294.

IBERIA PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2006**

E. DUE FROM OTHER GOVERNMENTAL UNITS

A summary of due from other governmental units of \$1,732,004 at June 30, 2006 follows:

Taxes Receivable:	
Ad Valorem Tax	\$ 14,892
Sales Tax	<u>426,920</u>
Total Taxes Receivable	<u>441,812</u>
Grants Receivable	<u>412,435</u>
Other:	
Prisoner Maintenance	112,511
State Supplemental Pay	74,621
Department of Corrections	217,935
Stop Loss Receivable	86,048
Commissary Commissions	30,411
Other	<u>356,231</u>
Total Other Receivables	<u>877,757</u>
Total Receivables	<u>\$ 1,732,004</u>

F. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2006 was as follows:

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
Governmental Activities:				
Equipment	\$ 1,227,386	\$ 179,474	\$ -	\$ 1,406,860
Furniture and Fixtures	127,499	633	-	128,132
Vehicles	<u>1,591,282</u>	<u>93,150</u>	<u>39,731</u>	<u>1,644,701</u>
Total	<u>2,946,167</u>	<u>273,257</u>	<u>39,731</u>	<u>3,179,693</u>
Less: Accumulated Depreciation:				
Equipment	903,246	142,808	-	1,046,054
Furniture and Fixtures	54,793	9,635	-	64,428
Vehicles	<u>1,219,578</u>	<u>212,811</u>	<u>31,068</u>	<u>1,401,321</u>
Total	<u>2,177,617</u>	<u>365,254</u>	<u>31,068</u>	<u>2,511,803</u>
Net Capital Assets	<u>\$ 768,550</u>	<u>\$ (91,997)</u>	<u>\$ (8,663)</u>	<u>\$ 667,890</u>

IBERIA PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2006**

F. CAPITAL ASSETS - continued

Depreciation expense for the year ended June 30, 2006 was \$365,254 and is charged to the public safety function.

G. PENSION PLAN

Substantially all employees of the Iberia Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a cost-sharing, multiple employer defined benefit pension plan administered by the Sheriff's Pension and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to sheriff and deputy sheriff members throughout the State of Louisiana. The Sheriffs' Pension and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Sheriffs' Pension and Relief Fund, P.O. Box 3163, Monroe, Louisiana 71210-3136.

All sheriffs and all deputies who are found to be physically fit, who earn a least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees who are eligible to retire at or after age 55 with at least 12 years of credited service receive a benefit, payable monthly for life, equal to a percentage of the final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.50% if total service is at least 12 but less than 15 years, 2.75% if total service is a least 15 but less than 20 years, and 3.00% if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25% for all service rendered on or after January 1, 1980).

In any case, the retirement benefit cannot exceed 100% of their final-average salary. Final-average salary is the employee's average salary over 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

Funding Policy-

Plan members are required to contribute 10% of their annual covered salary and the Iberia Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 10.75% of annual covered payroll. The contribution requirements of plan members and the Iberia Parish Sheriff are established and may be amended by the state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior year.

The Iberia Parish Sheriff's contributions to the Retirement System for the years ended June 30, 2006, 2005, and 2004 were \$736,419, \$642,140 and \$426,574, respectively.

IBERIA PARISH SHERIFF

**NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2006**

H. DEFERRED COMPENSATION PLAN

The Sheriff has adopted Governmental Accounting Standards Board (GASB) Statement 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The Sheriff offers a deferred compensation plan to its employees. Under GASB-32, the Sheriff does not report the deferred compensation plan in the financial statements.

I. CAPITAL LEASE OBLIGATIONS

The Sheriff's long-term debt is attributable to governmental activities and is comprised of five capital lease obligations used for financing the acquisition of vehicles as well as the other costs associated with the expansion of policing services in the current year. These debts will be liquidated by the general fund. Following is a listing of capital lease obligations outstanding at June 30, 2006:

	<u>Balance at June 30, 2006</u>
Capital lease obligation with Regions Leasing (Lease #6) dated July 15, 2004 in the amount of \$32,925, payable in 48 monthly installments of \$768 bearing interest at 5.67 percent per annum.	\$ 18,755
Capital lease obligation with Regions Leasing (Lease #7) dated October 14, 2004 in the amount of \$127,290, payable in 45 monthly installments of \$3,090 bearing interest at 4.69 percent per annum.	73,463
Capital lease obligation with Regions Leasing (Lease #8) dated October 13, 2004 in the amount of \$32,545, payable in 45 monthly installments of \$792 bearing interest at 4.81 percent per annum.	18,802
Capital lease obligation with Regions Leasing (Lease #9) dated November 18, 2004 in the amount of \$269,749, payable in 44 monthly installments of \$6,651 bearing interest at 4.41 percent per annum.	143,591
Capital lease obligation with Regions Leasing (Lease #10) dated December 9, 2004 in the amount of \$6,300, payable in 43 monthly installments of \$161 bearing interest at 5.30 percent per annum.	<u>3,807</u>
Total Capital Lease Obligations	<u>\$ 258,418</u>

IBERIA PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2006

I. CAPITAL LEASE OBLIGATIONS - continued

The following is a summary of the long-term obligations transactions of the Iberia Parish Sheriff for the year ended June 30, 2006.

	Balance at July 1, 2005	Additions	Retirements	Balance at June 30, 2006
Capital Lease Obligations:				
Regions Bank #6	\$ 26,023	\$ -	\$ 7,269	\$ 18,754
Regions Bank #7	106,262	-	32,799	73,463
Regions Bank #8	27,179	-	8,377	18,802
Regions Bank #9	229,693	-	86,101	143,592
Regions Bank #10	5,491	-	1,684	3,807
	<u>\$ 394,648</u>	<u>\$ -</u>	<u>\$ 136,230</u>	<u>\$ 258,418</u>
Current Portion				<u>\$ 121,306</u>

Future minimum lease payments including interest are as follows:

Year ended June 30:	Principal	Interest	Total
2007	\$ 121,306	\$ 9,372	\$ 130,678
2008	126,316	3,681	129,997
2009	10,796	39	10,835
2010	-	-	-
Total	<u>\$ 258,418</u>	<u>\$ 13,092</u>	<u>\$ 271,510</u>

The total cost of the equipment under capital leases is \$412,453 and is included in vehicles and equipment. Accumulated depreciation relating to these assets at June 30, 2006 was \$262,431.

J. TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2006, include \$229,287 of taxes paid under protest plus interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

IBERIA PARISH SHERIFF
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED JUNE 30, 2006

K. LINE OF CREDIT

During the current year the Louisiana State Bond Commission approved the application of the Iberia Parish Law Enforcement District to incur debt and borrow an amount not to exceed in the aggregate the sum of \$1,500,000, at a variable interest rate per annum, not to exceed five percent, to be repaid on or before June 30, 2006. These funds are to be used for the purpose of meeting current cash requirements of the Sheriff.

L. RISK MANAGEMENT

Iberia Parish Sheriff has established a Group Health Insurance Self-Insurance Program for the purpose of providing medical payments to employees and their dependents. The plan is administered by Benesys, Inc. Under the program, the Sheriff's self-insured retention for specific incurred claims related to any one covered employee or dependent is \$40,000. Estimated losses on claims are charged to expense in the period the loss is determinable. Accrued estimated claims that have been incurred but not reported were \$187,361 at year-end.

Iberia Parish Sheriff has established a Deputy Liability Self-Insurance Program. The Sheriff has contracts with Gallagher Bassett Services, Inc. and Cost Management Services for plan administration and claims processing. The retention for the policy for fiscal year ended June 30, 2006 is \$50,000 per occurrence.

The Sheriff accounts for and reports risk management activities in the General Fund within the constraints of the modified accrual basis accounting. Claims paid under the self-insurance risk activities are recorded as expenditures against the General Fund insurance and claims expense appropriations.

Claims activity for the year ended June 30, 2006, were as follows:

Beginning Liability	\$ 245,154
Current Year Claims and Charges	1,275,114
Claims Paid	<u>(1,184,641)</u>
Ending Liability	<u>\$ 335,627</u>

IBERIA PARISH SHERIFF

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED JUNE 30, 2006

M. LITIGATION AND CLAIMS

At June 30, 2006, the Sheriff was a defendant in several lawsuits principally arising from the normal course of operations. The Sheriff's legal counsel has reviewed the Sheriff's claims and lawsuits, which are primarily personal injury claims and automobile accident claims, in order to evaluate the likelihood of an unfavorable outcome to the Sheriff and to arrive at an estimate, if any, of the amount or range of potential loss to the Sheriff. As a result of the review, the various claims and lawsuits have been categorized into "probable", "reasonably possible", or "remote", as defined by the Governmental Accounting Standards Board. The claims and lawsuits that have been classified as "probable" have been accrued into these financial statements. There were no such claims during the current year. Those classified as "reasonably possible" include two automobile accidents with significant injuries. These cases are limited to the insurance retention amounts of \$75,000 per occurrence and are estimated not to exceed \$150,000. It is the opinion of legal counsel that all remaining lawsuits would not create a material liability to the Sheriff in excess of insurance coverage.

N. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH GOVERNMENT

The Sheriff's administrative office and jail is located in buildings owned by the Iberia Parish Government. The cost of maintaining and operating the administrative building, as required by statute, is paid by the Iberia Parish Government. These expenditures are not included in the accompanying financial statements. In October 2002, the Iberia Parish Government and the Sheriff entered into an intergovernmental agreement whereby the Sheriff assumed responsibility for the maintenance of the jail building. The agreement calls for an annual fee from the Parish in the initial amount of \$731,600, payable in monthly installments and subject to annual consumer price index adjustments. The agreement expires on July 1, 2012. The total amount paid to the Sheriff under this agreement for the year ended June 30, 2006 was \$762,600.

O. INTERGOVERNMENTAL AGREEMENTS

The Sheriff has entered into several intergovernmental agreements with various municipalities located within the law enforcement district. Under these agreements, the Sheriff pays \$200 per officer to supplement salaries.

The Sheriff has also entered into an intergovernmental agreement with the Town of Loureauxville to provide policing services. The total amount of the contract for providing these services is \$45,000 per year payable in monthly installments of \$3,750.

On July 8, 2004, the Sheriff also entered into an intergovernmental agreement with the City of New Iberia whereas the Police Department for the City of New Iberia was merged into the Iberia Parish Sheriff's Department. As a result the Sheriff added a new City Enforcement Division employing approximately 60 new employees. The Sheriff bills the City on a monthly basis for the cost of this service. Under the terms of the agreement, the Sheriff can increase the amounts billed on an annual basis by the Consumer Price Index. The total amount billed under this contract was \$3,021,805 for the year ended June 30, 2006.

**REQUIRED SUPPLEMENTARY
INFORMATION**

IBERIA PARISH SHERIFF

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (GAAP BASIS)
YEAR ENDED JUNE 30, 2006**

	Budget			Variance with Final Budget Positive (Negative)
	Original	Amended	Actual	
Revenues:				
Ad Valorem Taxes	\$ 2,700,000	\$ 2,963,000	\$ 2,961,680	\$ (1,320)
Sales Tax Revenue	2,400,000	2,770,000	3,011,069	241,069
Intergovernmental Revenues -				
Federal Grants	860,000	1,289,000	1,321,361	32,361
State Supplemental Pay	375,000	364,000	453,093	89,093
State, City and Parish Grants	176,400	191,200	196,749	5,549
Fees, Charges, and Commissions for Services -				
State Revenue Sharing (Net)	211,535	212,068	212,068	-
Commissions	526,200	382,350	436,168	53,818
Civil and Criminal Fees	261,500	217,500	229,216	11,716
Employment Work Release Programs	478,500	585,700	666,657	80,957
Intergovernmental Agreements	3,792,000	3,879,440	3,879,405	(35)
Court Attendance	5,000	19,000	19,200	200
Security Income	12,000	31,700	33,814	2,114
Transporting Prisoners	30,000	28,000	30,539	2,539
Feeding and Keeping Prisoners	2,337,000	2,501,600	2,558,445	56,845
Interest Income	11,000	16,000	26,135	10,135
Miscellaneous	125,050	189,700	200,379	10,679
Total Revenues	<u>14,301,185</u>	<u>15,640,258</u>	<u>16,235,978</u>	<u>595,720</u>
Expenditures:				
Current -				
Public Safety:				
Personal Services	8,772,000	8,922,600	8,867,883	54,717
Operating Services	4,730,790	5,981,387	6,455,234	(473,847)
Materials and Supplies	208,000	328,500	331,003	(2,503)
Travel and Other Charges	20,000	8,000	11,081	(3,081)
Miscellaneous	10,000	7,500	3,223	4,277
Debt Service	167,539	158,450	175,303	(16,853)
Capital Outlay	582,000	179,020	258,382	(79,362)
Total Expenditures	<u>14,490,329</u>	<u>15,585,457</u>	<u>16,102,109</u>	<u>(516,652)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(189,144)</u>	<u>54,801</u>	<u>133,869</u>	<u>79,068</u>
Other Financing Sources (Uses):				
Proceeds from Capital Lease	224,000	-	-	-
Sale of Assets	-	-	28,115	28,115
Total Other Financing Sources (Uses)	<u>224,000</u>	<u>-</u>	<u>28,115</u>	<u>28,115</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	34,856	54,801	161,984	107,183
Fund Balance, Beginning	<u>424,007</u>	<u>424,007</u>	<u>424,007</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 458,863</u>	<u>\$ 478,808</u>	<u>\$ 585,991</u>	<u>\$ 107,183</u>

**OTHER SUPPLEMENTARY
INFORMATION**

IBERIA PARISH SHERIFF

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006**

Federal Grantor Program Title	Federal CFDA Number	Grant Number	Federal Expenditures	Amounts to Subrecipients
Department of Justice:				
Passed through the Louisiana Commission on Law Enforcement -				
Juvenile Accountability Incentive Block Grants:				
Develop Accountability Based Sanctions Grant	16.523	A03-8-008	\$ 4,056	\$ -
Juvenile Justice and Delinquency Prevention:				
Juvenile Officers' Training	16.540	J02-8-013	17,450	-
Byrne Formula Grant Program:				
Multi-Jurisdictional Task Force	16.579	B05-4-004	6,882	-
Multi-Jurisdictional Task Force	16.579	B04-4-005	11,523	-
Violence Against Women Formula Grants:				
Law Enforcement Training	16.588	M04-4-003	8,411	-
Domestic Violence Program	16.588	M03-4-003	5,346	-
Crime Victim Assistance				
Victims Outreach Program	16.575	C04-4-009	13,813	-
Victims Outreach Program	16.575	C05-4-009	12,134	-
Elderly Services Program (ALERT)	16.575	C02-8-008	9,742	-
Elderly Victims of Crime (ESO)	16.575	C03-8-009	11,677	-
Elderly Victims of Crime (ECVA)	16.575	C04-8-003	149,018	-
Elderly Victims of Crime (ECVA)	16.575	C03-8-003	67,781	-
Local Law Enforcement Block Grant				
Equipment Grant	16.592	Z04-4-006	2,041	-
State Victim Assistance Academy Initiative	16.582	C51-8-001	7,946	-

Continued on following page.

IBERIA PARISH SHERIFF

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued
FOR THE YEAR ENDED JUNE 30, 2006**

Federal Grantor Program Title	Federal CFDA Number	Grant Number	Federal Expenditures	Amounts to Subrecipients
Department of Justice:				
Bureau of Justice Assistance				
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants:				
FY2004 BJA Congressionally Mandated Award Passed through to the Acadiana Crime Lab	16.580	2004-DDBX1241	640	640
Edward Byrne Memorial Justice Assistance Program:				
Justice Assistance Equipment Grant	16.738	2005-DJBX-0525	24,825	-
Local Law Enforcement Block Grant	16.592	2005-LBBX-0003	86,341	-
Department of Transportation:				
State and Community Highway Safety	20.600	PT05-20-00	940	-
Department of Homeland Security:				
Passed through the State of Louisiana-Governor's Office of Homeland Security and Emergency Preparedness:				
Disaster Grants-Public Assistance	97.036	1603-DR-LA *	369,257	-
Disaster Grants-Public Assistance	97.036	1607-DR-LA *	554,569	-
Law Enforcement Terrorism Prevention Program	97.074	X04-4-010	46,430	-
Total Expenditures			<u>\$ 1,410,822</u>	<u>\$ 640</u>

* - denotes a major program.

NOTE:

The accompanying Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

IBERIA PARISH SHERIFF

GENERAL FUND

**STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
YEAR ENDED JUNE 30, 2006**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Amended</u>		
Current:				
Public Safety -				
Personal Services:				
Salaries	\$ 6,916,500	\$ 7,053,400	\$ 7,202,516	\$ (149,116)
Employee Benefits	1,855,500	1,869,200	1,665,367	203,833
Total Personal Services	<u>8,772,000</u>	<u>8,922,600</u>	<u>8,867,883</u>	<u>54,717</u>
Operating Services:				
Dues and Subscriptions	25,000	15,000	14,431	569
Publications and Printing	150,000	265,000	263,133	1,867
Utilities	400,000	375,000	433,006	(58,006)
Telephone	232,000	212,000	221,443	(9,443)
Beeper/Tower	80,500	89,950	86,151	3,799
Rents and Leases	217,000	263,000	245,235	17,765
Hurricane Expenses	-	505,444	503,056	2,388
Pass-through Grant Expenses	-	-	91,595	(91,595)
Cooperative Endeavor Agreement	1,500	3,200	3,700	(500)
Maintenance and Property and Equipment:				
Fuel and Oil	370,300	450,000	532,624	(82,624)
Radio Maintenance	35,000	40,000	45,133	(5,133)
Boat Maintenance	5,000	10,000	14,865	(4,865)
Crime Scene Maintenance	5,000	2,300	-	2,300
Dog Maintenance	400	2,000	2,543	(543)
Computer Maintenance	60,000	44,000	26,955	17,045
Building and Grounds	4,000	17,000	16,186	814
Repairs and Maintenance	236,700	340,000	323,940	16,060
Professional Services:				
Contract Service	180,000	224,000	255,181	(31,181)
Legal	160,000	100,000	74,648	25,352
Accounting	60,000	60,000	49,692	10,308
Cleaning Service	14,000	15,500	13,953	1,547
Payroll Processing	24,000	33,200	31,387	1,813
Third Party Administrative Fees	28,000	42,200	42,131	69
Crime Lab Expenses	67,000	73,100	73,080	20
Insurance:				
Aircraft Liability	-	-	-	-
Auto Liability	144,000	119,650	118,658	992
Deputy Liability	161,100	161,650	161,519	131
General and Workers Compensation	164,000	188,775	195,880	(7,105)
Boat Liability	11,390	11,310	11,307	3
Claims	942,000	1,426,000	1,688,465	(262,465)
Surety Bond	600	600	1,960	(1,360)

IBERIA PARISH SHERIFF

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)

YEAR ENDED JUNE 30, 2006

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
Continued:				
Tax Costs	-	-	10,707	(10,707)
Investigation	2,500	12,000	12,713	(713)
Narcotics Expense	31,000	31,000	12,230	18,770
Other:				
Drug Education Expense	2,500	6,008	5,952	56
Court Security	-	-	-	-
Training	101,000	100,100	83,851	16,249
Firing Range	5,000	6,600	6,467	133
Appropriations	52,800	51,000	50,300	700
Prisoner Expenses	757,500	684,800	731,157	(46,357)
Total Operating Services	<u>4,730,790</u>	<u>5,981,387</u>	<u>6,455,234</u>	<u>(473,847)</u>
Materials and Supplies:				
Office Supplies	55,000	85,000	74,287	10,713
Shipping/Postage	20,000	30,000	30,671	(671)
Law Enforcement Small Equipment	25,500	33,000	38,135	(5,135)
Supplies	95,500	170,500	178,267	(7,767)
Construction	-	-	-	-
Ammunition and Reloading	10,000	10,000	9,643	357
Film and Developing	2,000	-	-	-
Total Materials and Supplies	<u>208,000</u>	<u>328,500</u>	<u>331,003</u>	<u>(2,503)</u>
 Travel and Other Charges	 <u>20,000</u>	 <u>8,000</u>	 <u>11,081</u>	 <u>(3,081)</u>
 Miscellaneous	 <u>10,000</u>	 <u>7,500</u>	 <u>3,223</u>	 <u>4,277</u>
Debt Service -				
Principal	121,910	118,000	136,230	(18,230)
Interest	45,629	40,450	39,073	1,377
Total Debt Service	<u>167,539</u>	<u>158,450</u>	<u>175,303</u>	<u>(16,853)</u>
Capital Outlay	<u>582,000</u>	<u>179,020</u>	<u>258,382</u>	<u>(79,362)</u>
Total Expenditures	<u>14,490,329</u>	<u>15,585,457</u>	<u>16,102,109</u>	<u>(516,652)</u>

IBERIA PARISH SHERIFF

**SPECIAL REVENUE FUND
INMATE WELFARE FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2006**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
Sales and Commissions	\$ 260,000	\$ 226,050	\$ 233,208	\$ 7,158
Telephone Commissions	-	-	-	-
Interest	16,000	18,800	31,994	13,194
Miscellaneous	<u>4,000</u>	<u>7,030</u>	<u>6,246</u>	<u>(784)</u>
Total Revenues	<u>280,000</u>	<u>251,880</u>	<u>271,448</u>	<u>19,568</u>
Expenditures:				
Current -				
Public Safety:				
Personal Services	40,000	-	-	-
Operating Services	165,000	223,250	233,033	9,783
Capital Outlay	<u>-</u>	<u>-</u>	<u>14,875</u>	<u>14,875</u>
Total Expenditures	<u>205,000</u>	<u>223,250</u>	<u>247,908</u>	<u>24,658</u>
Excess (Deficiency) of Revenues Over Expenditures	75,000	28,630	23,540	44,226
Fund Balance, Beginning	<u>152,982</u>	<u>152,982</u>	<u>152,982</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 227,982</u>	<u>\$ 181,612</u>	<u>\$ 176,522</u>	<u>\$ 44,226</u>

FIDUCIARY FUND TYPE - AGENCY FUNDS

Sheriff's Fund

To account for funds held in connection with civil suits, Sheriff's sales, and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Tax Collector Fund

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

Bond Fund

To account for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Inmate Trust Fund

To account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

IBERIA PARISH SHERIFF

**FIDUCIARY FUND TYPE - AGENCY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2006**

	<u>Sheriff's Fund</u>	<u>Tax Collector Fund</u>	<u>Bond Fund</u>	<u>Prison Inmate Fund</u>	<u>Total</u>
ASSETS:					
Cash and Interest Bearing Deposits	\$ 665	\$ 307,436	\$ 228,412	\$ 736,624	\$1,273,137
Due from Others	<u>18,651</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,651</u>
Total Assets	<u>\$ 19,316</u>	<u>\$ 307,436</u>	<u>\$ 228,412</u>	<u>\$ 736,624</u>	<u>\$1,291,788</u>
LIABILITIES:					
Due to Taxing Bodies and Others	<u>\$ 19,316</u>	<u>\$ 307,436</u>	<u>\$ 228,412</u>	<u>\$ 736,624</u>	<u>\$1,291,788</u>
Total Liabilities	<u>\$ 19,316</u>	<u>\$ 307,436</u>	<u>\$ 228,412</u>	<u>\$ 736,624</u>	<u>\$1,291,788</u>

COMPLIANCE
AND
INTERNAL CONTROL

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Sid Hebert
Iberia Parish Sheriff
New Iberia, Louisiana

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Iberia Parish Sheriff as of and for the year ended June 30, 2006, which collectively comprise the Iberia Parish Sheriff's basic financial statements and have issued our report thereon dated September 21, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Iberia Parish Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Iberia Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Findings and Questioned Costs as item 2006-1.

This report is intended for the information of management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

*Wright, Moore, DeHart,
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Certified Public Accountants

September 21, 2006

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Sid Hebert
Iberia Parish Sheriff
New Iberia, Louisiana

Compliance

We have audited the compliance of the Iberia Parish Sheriff, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2006. The Iberia Parish Sheriff's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Iberia Parish Sheriff's management. Our responsibility is to express an opinion on the Iberia Parish Sheriff's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Iberia Parish Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Iberia Parish Sheriff's compliance with those requirements.

In our opinion, the Iberia Parish Sheriff complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2006.

Internal Control Over Compliance

The management of the Iberia Parish Sheriff is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Iberia Parish Sheriff's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

September 21, 2006

IBERIA PARISH SHERIFF

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2006

We have audited the financial statements of the Iberia Parish Sheriff as of and for the year ended June 30, 2006, and have issued our report thereon dated September 21, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Our audit of the financial statements of June 30, 2006 resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Reportable Conditions	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Compliance Material to Financial Statements	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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B. FEDERAL AWARDS

Major Program Identification

The Iberia Parish Sheriff at June 30, 2006, had one major program: Department of Homeland Security: Disaster Grants-Public Assistance (Presidentially Declared Disasters): CFDA Number 97.036.

Low-Risk Auditee

The Iberia Parish Sheriff is considered a low-risk auditee for the year ended June 30, 2006.

Major Program - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$300,000 for the year ended June 30, 2006.

Auditors' Report - Major Program

An unqualified opinion has been issued on the Iberia Parish Sheriff's compliance for its major program as of and for the year ended June 30, 2006.

Reportable Conditions - Major Program

There were no reportable conditions noted during the audit of the major federal program.

IBERIA PARISH SHERIFF

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
FOR THE YEAR ENDED JUNE 30, 2006**

Section II - Financial Statement Findings

2006-1 Budget Amendments

Finding:

Louisiana Revised Statute 39:1310 requires that budgets be adopted for General and Special Revenue funds and that amendments be made and properly adopted when variances to the budget amounts are in excess of five (5) percent. The Sheriff's Office failed to adequately amend the budgets for the General Fund and the Special Revenue Fund.

Recommendation:

We recommend the Sheriff's Office implement procedures to monitor budget to actual comparisons and amend as necessary in order to comply with the Louisiana Local Government Budget Act.

Section III - Federal Award Findings and Questioned Costs

The audit did not disclose any material noncompliance findings or questioned costs relative to its federal programs.

IBERIA PARISH SHERIFF
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006

Section I. Internal Control and Compliance Material to the Financial Statements

2005-1 Budget Amendments

Finding:

The Sheriff failed to adequately amend the budgets for the General Fund and the Special Revenue Fund in accordance with state statute.

Follow Up:

Significant progress was made in amending the budgets in order to comply with the statutes, however variances were still noted in the current year. Therefore this finding is unresolved. See current year finding 2006-1.

Section II. Internal Control and Compliance Material to Federal Awards.

There were no findings relating to this section for the year ended June 30, 2005.

Section III. Management Letter

No management letter was issued for the year ended June 30, 2005.



Sid Hebert
Sheriff

Office of the Sheriff

Parish of Iberia

300 Iberia Street, Suite 120
New Iberia, LA 70560
337-369-3714
337-365-5582 Fax

*Committed
To
Service*

CORRECTIVE ACTION PLAN

JUNE 30, 2006

Louisiana Legislative Auditor

The Iberia Parish Sheriff respectfully submits the following corrective action plan for the year ended June 30, 2006.

The finding from the June 30, 2006 Schedule of Findings and Questioned Costs is discussed below. The finding is numbered consistently with the numbers assigned in the schedule.

Finding No. 2006-1

Recommendation: The Sheriff's Office should amend budgets in order to comply with the Louisiana Local Government Budget Act.

Action Taken: Due to continued growth of the Department, coupled with some unforeseen extraordinary occurrences at the end of the fiscal year, the budgetary amendments adopted were skewed and became inadequate. The Iberia Parish Sheriff continues to take steps to properly amend the budgets during the fiscal year, and hopes that this problem will be alleviated in the next reporting period.

If the Louisiana Legislative Auditor has questions regarding this plan, please call Sheriff Sid Hebert at (337) 369-3714.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Sid Hebert".

Sid Hebert, Sheriff
Iberia Parish Sheriff